



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Karl Morgenstern, Property, Facilities & Source Protection Supervisor
DATE: February 24, 2017
SUBJECT: Watershed Protection Strategic Planning Update
OBJECTIVE: Update and approval of 2017 contracts

Issue

EWEB staff are in the process of finishing a 10-year strategic plan and budget for the Source Water Protection Program that will be presented at the July 2017 Board meeting for discussion and approval. This memo provides a general update around program goals and strategic direction for source protection ahead of the July Board meeting to ensure that contracts and work done in 2017 align with this shift in direction. One contract is up for Board approval, Lane Council of Governments, and others will be issued over the next few months.

Background

EWEB relies on the McKenzie River watershed for power generation from its hydroelectric facilities at Carmen-Smith, Leaburg, and Walterville and as a sole source of drinking water for the City of Eugene, which will have a backup supply when the second source is developed in the next 4-5 years. EWEB's long history in the McKenzie is one reason why in 2012 our McKenzie electric customers refused to be transferred to Lane Electric as EWEB explored ways to cut costs during hard economic times. EWEB's urban customers also place a high value on the importance of the McKenzie River as an excellent source of drinking water, as indicated by consistently high rankings in EWEB customer surveys over the last 10 years and in U of O/OSU customer and business surveys (2013-2014). This places EWEB in a unique position to effectively safeguard this key resource as a core customer value, which was reflected in the original strategic planning following Board adoption of the Drinking Water Source Protection (DWSP) program in 2000.

In 2001, the Board approved the initial source protection goals, objectives, and strategic direction outlined in the program implementation plan, which has guided program development until now. The original goal of EWEB's DWSP program is to measure the balance between watershed health and human use over time and implement actions that maintain exceptional water quality for current and future generations. To accomplish this, the program had two primary objectives: the first was to prevent, minimize and mitigate activities that have known or potentially harmful impact on source water quality; and the second was to promote public awareness and stewardship of a healthy watershed in partnership with others. These goals and objectives appear to remain true for the next ten-year planning horizon.

The original strategic direction to accomplish these goals and objectives was for EWEB to accept a leadership role for protection of the McKenzie River by working with partners to develop protection plans and programs that align and share resources.

Based on this direction, EWEB invested in building the programmatic infrastructure for a risk-based watershed protection approach that: a) is collaborative and builds lasting relationships with partners, stakeholders, landowners and communities; b) leverages partner and outside funding/resources; c) is based on best available science; d) addresses multiple economic, social and environmental issues that align with partner efforts for shared investments; and e) is evaluated over time for effectiveness. As the DWSP program was launched based on this approach, it became apparent that this was an effective formula for attracting grant funding. EWEB used grant funds to help build and test collaborative watershed protection programs such as the McKenzie Watershed Emergency Response System, Healthy Farms Clean Water, Septic System Assistance, Pure Water Partners, and others (see Board Memo's dated 8/15/2015, 10/25/2013, and 9/5/2013, as well as Table 1).

In May 2016, management checked in with the Board around increasing funding up to \$150,000 in 2017 for initiating source protection efforts in the Middle and Coast Fork Willamette watersheds and obtaining feedback on the assumptions guiding the current strategic planning efforts in both the McKenzie and Willamette watersheds (see Board Memo dated May 25, 2016). The Strategic Plan re-examines program goals and strategic principles, evaluates existing programmatic approaches and the value these efforts provide our customers, reviews lessons learned from program development, and proposes a vision for what the DWSP program should look like over the next 10-years given addition of a 2nd source and new partners. The strategic plan also assesses the costs over this time period. The hope is that this planning effort and the discussions and feedback that are part of the process will allow EWEB to make adjustments to the drinking water source protection program and secure long-term organizational support to guide future watershed protection efforts.

The work budgeted for 2017 includes completion of all programmatic infrastructure for the McKenzie DWSP program and initiating protection efforts in the 2nd source watersheds. This creates a natural break to establish strategic principles that will guide the next ten years of investment and priorities. Our current thinking is that the drinking water protection program is ready to shift from development to operations and maintenance in the McKenzie. However, in the Middle Fork and Coast Fork Willamette Watersheds, we need to perform a thorough risk assessment, meet and get to know major partners and stakeholders, and evaluate where to focus source protection efforts. Given the timing gap between Board discussion and ultimate adoption of the DWSP 10-year strategic plan in June/July 2017 and the immediate need to issue contracts to assist with 2017 work, there is a need to make sure current investments are aligned with this strategic direction.

Discussion

The strategic planning period is from 2018-2028, which captures the transition from developing and building (2001-2017) to running, monitoring and adjusting (2018+). The 2017/2018 transition phase will involve establishing long-term interagency collaborative agreements that align and share resources, funding, and responsibilities for watershed protection, allowing EWEB to better predict future budgets and monitor for effectiveness. The lessons learned and program components built for the McKenzie can be applied to protection of the 2nd source watersheds in a way that fits the reduced role EWEB will likely play. This will significantly reduce the investment EWEB makes to ramp up protection efforts at a controlled rate to be in place by the time the treatment plant is operational. Details will be provided in the draft 10-year strategic plan for Board review and discussion.

Table 1 summarizes the DWSP infrastructure that has been built to date, what is planned for completion in 2017, key partners (internal and external), and programmatic areas in which EWEB customers have direct access/engagement. As indicated in Table 1, the vast majority of programs built as part of the DWSP program are shared and supported by partners who provide funding and/or resources. The use of grant funds and partner resources allowed EWEB to build a comprehensive nationally-recognized program to protect the McKenzie Watershed with staff and funding that averaged \$525,000 with 1.75 FTE over the last 15 years, plus the investment of approximately \$1.2 million from reserves to support the permanent conservation of 350 acres in the McKenzie floodplain. Currently the program's 2017 budget is \$830,000 including 2.3 FTE and the addition of \$100,000 for new work in the 2nd source watersheds.

With the programmatic infrastructure in place by the end of 2017, EWEB can shift its focus from design and development to scaling up implementation in the McKenzie by pursuing three key strategic directions: 1) establishing the long-term administrative agreements that memorializes partner roles and responsibilities, outside funding sources, landowner commitments, and reporting requirements governing program operations over time; 2) using the water quality and watershed health monitoring tools that have been built for regular analysis and reporting that informs the Board and our customers around watershed health, program effectiveness, and return on investment; and 3) assessing opportunities to leverage EWEB-internal efforts and areas of interest to maximize the potential for partnerships and collaboration to gain efficiencies and reduce overall costs. Table 1 summarizes the logical areas where external partner agreements are needed to develop long term assurances for shared responsibilities and funding, as well as areas within EWEB where better integration could provide utility benefits and cost savings. The draft strategic plan will provide more details around the approach, scope and costs of these three strategic directions.

As EWEB looks toward protection of the 2nd source watersheds, it is clear that EWEB's role will be quite different from the leadership role taken in the McKenzie. The short-term (1-3 year) strategic direction is to: 1) understand existing efforts and partnerships that EWEB can leverage while assessing and prioritizing threats (including collecting and organizing existing GIS and water quality data); and 2) engage in limited expansion of two existing McKenzie programs (spill response and water quality monitoring) with new partners that focuses more on the Coast Fork Willamette. Once we have a better understanding of the high priority threats, where they exist on the landscape, water quality, and existing efforts and partnerships that EWEB can leverage, long-term strategic principles can be developed to guide and focus future efforts and investments.

LCOG and other 2017 Contracts

The Board is being asked to approve one contract (LCOG) ahead of adopting a new 10-year strategic plan. A second one-year contract for the USGS was recently approved (not needing Board approval). Both of these contracts and others that will be issued in the coming months are being vetted to make sure the work done will not be impacted by this strategic transition of the DWSP program. Table 1 highlights the areas where the LCOG and USGS work under these contracts ties to the work in 2017 mentioned above. In addition, both of these contracts support work in the 2nd source watersheds. LCOG will provide services to collect and organize existing GIS data. The USGS will be part of the Blue Ribbon Panel and support water quality storm event and Harmful Algal Bloom (HAB) monitoring and analysis in the upper Willamette watersheds.

Recommendation

Acknowledgement of the current transition period for the DWSP program and support for one key contract as part of 2017 budgeted work.

Requested Board Action

Approval of LCOG contract.

TABLE 1: SUMMARY OF EWEB'S DRINKING WATER SOURCE PROTECTION PROGRAM INFRASTRUCTURE

PROGRAM	PROGRAM PURPOSE	INFRASTRUCTURE BUILT TO DATE	INFRASTRUCTURE TO BE COMPLETED IN 2017	KEY PARTNERS	EWEB PARTNERS	CUSTOMER ENGAGEMENT
Water Quality Monitoring	Assess water quality trends over time and investigate problem areas and emerging contaminants	WQ Database, Web Dashboard & Portal for EWEB Data	Add 2nd Source Monitoring Sites/Data	LCOG	HB, Public Affairs	YES - use of websites/refer customers in response to calls and inquiries on WQ YES - use of website/provdng public notices of HABs
		Storm Event & Baseline Monitoring	2nd Source Monitoring	USGS	HB, Environ., Property	
		Real-Time EWEB Monitoring Stations	2nd Source Monitoring Station		HB, Environ., Property, Facilities	
		Data Analysis and Trend Tools	State of the Watershed Report Template	USGS	HB, Environ., Generation	
		Harmful Algal Bloom Monitoring	2nd Source Monitoring	USFS, USGS, OHA, OSU	HB, Environ.	
Watershed Health Monitoring	Assess watershed health, climate change impacts, and effectiveness of DWSP program over time	U of O SLICES Framework	OSU/UofO SLICES Data Collection (10-yr interval)	U of O, OSU, LCOG	Generation	YES - OSU/U of O website that provides customers access to SLICES
		Repeat LiDAR Flights (2009 & 2016)	Repeat LiDAR Flight Analysis (5-yr Interval)	ACOE, LCOG, USFS, DOGAMI	Generation	TBD
		USGS Gaging Stations Forestry Chemical Spray/Harvest Tracking		USGS, ACOE	HB, Generation	YES - use of website YES - website/response to calls
		Watershed Action Plan/Shared Investment Priorities	Watershed Investment Priorities Committee	MWC, USFS, BLM, ODFW, ACOE, Weyco, MRT, UWSWCD	Environ., Generation	YES - MWC website
Septic System Assistance	Encourage proper maintenance, repair and replacement of septic systems	Septic Inspection/Minor Repair Cost-Share				YES - McKenzie homeowners
		0% Interest Loan Major Repair/Replacement			EMS	YES - McKenzie
Illegal Camping	Ensure a well-coordinated repsonse to illegal camping along waterways and on EWEB owned property	Web Application (passive tracking)	Web Application Upgrade (active alerts/tracking)	LCOG, Willamette River Keepers	Public Affairs, Property, Security	YES - use of Web App to input illegal camps
		Partner Coordination/Funding Alignment		Springfield, Eugene, Willamalane, Lane County, Oregon Parks, SUB, many others	Property, Security, Public Affairs	
		EWEB Property Response			Security, Property, Facilities	YES -ability to respond to customer calls
Healthy Farms Clean Water	Reduce chemical use on farms	Farmer Project Selection Criteria/Focus		OSU Extension, OSU, UWSWCD, NRCS, MWC, MRT,		YES - McKenzie farmers

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Watershed Emergency Response	Ensure well-coordinated response to hazardous material spills	GIS-Based Response Management System Four Equipped Trailers/Drills	Web-Application/Public-Private Partnership (revenue generation); Expand to cover 2nd Source 2nd Source Expansion	LCOG, MB&G, EPA, DEQ HazMat Team, Eugene/Springfield Fire, McKenzie Fire, ODOT, ACOE, USFS, SUB, Springfield	Geographics, Environ., Generaton, HB HB, Generation, Environ., Property, Facilities, Public Affairs	
Education & Research	Educate youth and encourage and leverage research on issues important to EWEB	Education Basin/Outdoor Classroom Leaburg Forest Management Plan University Research Contracts/IGAs	Expand to 2-3 more high schools Leaburg Demonstration Forest Selective Harvest (revenue generation) FEMA Floodplain Insurance Program, Micro-Grids, Naturescaping, Threat Risk Assessment, Biological Control for Filbert Worm, Climate Change	MWC, Springfield School Dist., LLC, U of O, MFWC, CFWC OSU Extension U of O (PPPM, Landscape Architecture, Law School), OSU (OPAL, Horticulture, Hydrogeology)	Public Affairs (PIE) Property, Generation, Environ., Public Affairs, Engineering, Surveyors, Environ., Generation, Engineering, Public Affairs, Key Accounts, Power Planning	YES - Teachers/Students YES - Teachers/Students Yes - Professors/Students
Pure Water Partners	Align and prioritize watershed investments to protect and restore riparian and floodplain forests	Riparian Assessment/Scoring Process Program Boundary/Prioritization Riparian Management Plan Template Naturescaping Program PWP Website/Dashboard Funding Agreements (OWEB)	 Funding Agreements (MWMC, USFS, Business Sponsorship) Watershed Conservation Fund Landowner and Partner Agreements/IGAs	MWC, LCOG, UWSWCD, TFT LCOG, USGS MWC, UWSWCD, MRT U of O, MWC, UWSWCD LCOG OWEB, USFS, MWMC, TFT, CPRCD, MWC, UWSWCD, U of O CPRCD, USFS, MWMC, OWEB, TNC, TFT CPRCD, MWC, UWSWCD, TFT, LCOG, MWMC,	Environ Generation Environ Environ Public Affairs Finance Finance Finance, Property	YES - McKenzie landowners YES - McKenzie landowners YES - McKenzie YES - customer use of website YES - Eugene businesses YES - McKenzie landowners
Urban Runoff Mitigation	Treat and reduce pollution impacts from urban stormwater runoff	Stormwater Trash Rack & Wetland Treatment Design	Permitting, Easements, & IGAs	Springfield, ODOT, MWC, ODFW, IP, SUB, Rainbow Water	Environ, Property, Surveyors	

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new Intergovernmental Agreement (IGA) with **Lane Council of Governments** for **providing technical assistance to EWEB's Drinking Water Source Protection Program**.

Board Meeting Date: March 7, 2017

Project Name/Contract#: Drinking Water Technical Assistance, IGA 17-0003

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Quentin Furrow Ext. 7380

Contract Amount:

Original Contract Amount: \$150,000 for 1 year

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$150,000

Resulting Cumulative Total: \$150,000

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Intergovernmental Agreement

Term of Agreement: March 8, 2017 - July 31, 2018

Option to Renew? Yes

Approval for purchases "as needed" for the life of the contract No

Proposals/Bids Received (Range): Direct negotiation

Selection Basis: IGA

Narrative:

The Board is being asked to approve a new Intergovernmental Agreement (IGA) with **Lane Council of Governments** for **providing technical assistance for EWEB's Drinking Water Source Protection Program**.

The 2017 work supports EWEB's efforts to transition the McKenzie source protection program to a programmatic approach with long-term effectiveness monitoring. The contract is set up as a Master Services Agreement where Task Orders can be issued as planned and in alignment with the Water Source Strategic Plan.

Tasks that may be issued under this Agreement include: 1) maintaining existing systems (water quality database and watershed health dashboard and website); 2) supporting completion of work associated with the Pure Water Partners pilot project as part of grant close-out (OWEB grant final report and close-out due march 2017) and providing GIS data to support the McKenzie Watershed Emergency Response System web application development and expansion to the Willamette; and, 3) the collection and organization of some key GIS and other data that will support EWEB's initial assessment efforts in the Middle and Coast Fork watersheds.

These efforts benefit EWEB's customers by maintaining and updating websites and databases that are accessible to the public and provide information about watershed health and source protection efforts. EWEB often refers customer inquiries to these and other resources when addressing their questions about forest chemical spray activities, pesticides detected in the watershed, harmful algal blooms, and other water quality questions.

Staff requests Board approval of a new IGA with **LCOG** to continue providing water quality monitoring data management and GIS support. The 2017 scope of work with LCOG is budgeted to not exceed \$150,000. IGAs are

exempt from solicitation and this work builds off of previous work LCOG has done for EWEB over the last ten years.

ACTION REQUESTED:

Management requests the Board approve a new IGA with **Lane Council of Governments** for **providing technical assistance to EWEB's Drinking Water Source Protection Program**. Funds for these services were budgeted for 2017. Total Environmental and Engineering Department budget for 2017 is \$9.34 Million.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Manager: _____

Executive Officer: _____

Board Approval Date: _____